



Department of Justice

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JUSTICE DEPARTMENT ADVISES FCC OF CONCERNS ABOUT VERIZON'S APPLICATION TO PROVIDE LONG DISTANCE SERVICES IN MASSACHUSETTS

Department Raises Questions About Competitors' Access to Phone Lines for DSL Services

WASHINGTON, D.C. - The Department of Justice today advised the Federal Communications Commission (FCC) that it continues to have concerns about the pending application of Verizon, formerly known as Bell Atlantic, to provide long distance services in Massachusetts. The Department said that Verizon had not yet shown that it was providing nondiscriminatory access to digital subscriber lines (DSL) to firms offering DSL service in Massachusetts in competition with Verizon. DSL lines are used for high speed internet access.

The Department provided its competitive analysis today in an evaluation of Verizon's application under Section 271 of the Telecommunications Act for authorization to provide long distance services in Massachusetts.

"Ensuring that competitors have nondiscriminatory access to DSL lines is important to the development of competition in broadband services," said John M. Nannes, Acting Assistant Attorney General in charge of the Department's Antitrust Division, "but the Department has been unable to find that Verizon has clearly demonstrated that it has provided such access to its competitors."

The Department said that, while Verizon had not yet shown clearly that it was providing nondiscriminatory access to DSL lines, Verizon's application was stronger in some respects than its prior application for Massachusetts, which was filed and withdrawn last year.

Verizon first sought permission to provide long distance services in Massachusetts in September 2000. In its evaluation of that application, the Justice Department said that Verizon had not yet shown that it was providing nondiscriminatory access to DSL lines. On December 18, 2000, Verizon withdrew that application. On January 16, 2001, Verizon filed the current application, in which it provided some additional evidence on its provision of DSL lines.

The Department's evaluation noted that there were unresolved factual disputes about the validity of the new evidence submitted by Verizon, and the evidence still indicated that the access provided by Verizon to its competitors was worse in various respects than that provided by Verizon for its own retail operations.

Since the break-up of the integrated Bell system as part of the AT&T divestiture, the independent Bell Operating Companies, or BOCs, have been barred from providing long distance services in their respective regions, first as part of the divestiture decree, and now under the terms of the Telecommunications Act of 1996. Under Section 271 of the Act, a BOC, such as Verizon, may not provide in-region long distance services until it demonstrates to the FCC that it has met a variety of legal requirements designed to open the local telephone markets in a particular state to competition.

In considering whether to approve a BOC's application for long distance authority in a particular state, the FCC must consult with the Department of Justice and give "substantial weight" to its assessment of competitive conditions in a market and whether the BOC should be allowed to provide in-region long distance service.

Verizon filed its application with the FCC on January 16, 2001. Under the terms of the Act, the FCC must approve or deny the application within 90 days.

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